

Decision _____

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of Nakagawa Ventures, Inc., for passenger stage authority under § 1031 et seq., of the California Public Utilities (PU) Code, to transport passengers and baggage express, on a scheduled, county to county basis, between points in Los Angeles County, on the one hand, and Santa Clara, San Mateo and San Francisco Counties, on the other hand, and to establish a Zone of Rate Freedom (ZORF) under § 454.2 et seq., of the PU Code.

Application 13-02-001
(Filed February 4, 2013)

D E C I S I O N**Summary**

This decision grants the application of Nakagawa Ventures, Inc., a corporation, pursuant to Pub. Util. Code § 1031 et seq., for a certificate of public convenience and necessity to operate as a Passenger Stage Corporation, as defined in Pub. Util. Code § 226, and to establish a Zone of Rate Freedom, pursuant to Pub. Util. Code § 454.2.

Discussion

Nakagawa Ventures, Inc., requests authority to transport passengers, their baggage, and express¹ as a Passenger Stage Corporation. Applicant proposes to

¹ Express shipments will be limited to packages and unaccompanied baggage weighing not more than 30 pounds per item, ten dollar minimum.

provide scheduled, “county-to-county” transportation between points in Los Angeles County and Santa Clara, San Mateo, and San Francisco Counties. The customer base will be primarily Asian community families, visitors, and business people traveling between Southern and Northern California. According to Applicant, members of this community are particular about the type of transportation they use, and their choice of transportation provider is usually based on common language and price. Applicant’s Vice President and Chief Financial Officer have held a charter party permit with a combined experience of over 20 years. Applicant’s officers and shareholders belong to the community and have a clear understanding of its culture and transportation needs.

The service will operate daily, between the hours of 10:00 AM and 1:00 AM. Operations will be conducted initially with a fleet of two, leased, 55-passenger buses. A 24-hours reservation is required to guarantee service, and prevent inconvenience to other passengers. Attached to the application as Exhibit D is an unaudited balance sheet for Applicant’s founder/family, which discloses assets of \$185,000, liabilities of \$21,000, and net worth of \$164,000.

The proposed one-way fare, as shown in Exhibit B of the application, is forty-five dollars. Applicant also seeks to establish a Zone of Rate Freedom (ZORF) of plus-or-minus five dollars over fares less than twenty dollars; or plus-or minus ten dollars over fares greater than twenty dollars and less than forty dollars; or plus-or minus twenty dollars over fares forty dollars or greater. The lowest minimum allowable fare will be five dollars.

Applicant will compete with other PSCs, public transit, taxicabs, charter vehicles, and private automobiles in its service area. This competitive environment should result in Applicant pricing its services at a reasonable level. Many other PSCs have been granted ZORFs. The requested ZORF is generally consistent with the ZORFs held by other PSCs.

Notice of filing of the application appeared in the Commission's Daily Calendar on February 6, 2013. Applicant served notice of the application on the Counties of Los Angeles and Santa Clara, San Francisco City and County, and the Cities of Los Angeles, San Jose, and Santa Monica. Applicant also sent a copy of the application to five public transit operators in the service area.

In Resolution ALJ 176-3301 dated February 13, 2013, the Commission preliminarily categorized this application as ratesetting, and preliminarily determined that hearings were not necessary. No protest has been received. Given this status, public hearing is not necessary, and it is not necessary to alter the preliminary determinations made in Resolution ALJ 176-3301.

This is an uncontested matter in which the decision grants the relief requested. Accordingly, pursuant to Pub. Util. Code § 311(g)(2), the otherwise applicable 30-day period for public review and comment is being waived.

Assignment of Proceeding

Emory J. Hagan, III is the assigned Examiner in this proceeding.

Findings of Fact

1. Applicant requests authority to operate as a PSC to transport passengers, their baggage, and express on a scheduled basis between points in the Counties of Los Angeles, Santa Clara, San Mateo and San Francisco.
2. Applicant requests authority to establish a ZORF of five dollars above and below the proposed fares of twenty dollars and under, ten dollars above and below the proposed fares greater than twenty dollars and less than forty dollars, and twenty dollars above and below the proposed fares of forty-five dollars and over, as shown in Exhibit B of the application. The lowest minimum allowable fare will be five dollars.

3. Applicant will compete with other PSCs, public transit, taxicabs, charter vehicles, and private automobiles in its operations. The ZORF is fair and reasonable.

4. Applicant served a notice of the application to the involved cities and counties, and sent a copy of the application to five public transit operators in the service area.

5. Public convenience and necessity requires the proposed service.

6. No protest to the application has been filed.

7. A public hearing is not necessary.

8. It can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment.

Conclusions of Law

1. Public convenience and necessity has been demonstrated and the application should be granted.

2. The request for a ZORF should be granted.

3. Before Applicant changes any fares under the ZORF authorized below, Applicant should give this Commission at least ten days' notice. The tariff should show the high and low ends of the ZORF and the then currently effective fare between each pair of service points.

4. Since the matter is uncontested, the decision should be effective on the date it is signed.

O R D E R**IT IS ORDERED** that:

1. A Certificate of Public Convenience and Necessity is granted to Nakagawa Ventures, Inc., a corporation, authorizing it to operate as a Passenger Stage

Corporation (PSC), as defined in Pub. Util. Code § 226, to transport passengers, their baggage, and express between the points and over the routes set forth in Appendix PSC-31065, subject to the conditions contained in the following paragraphs.

2. Nakagawa Ventures, Inc., shall:

- a. File a written acceptance of this certificate within 30 days after this decision is effective.
- b. Establish the authorized service and file tariffs and timetables within 120 days after this decision is effective.
- c. File tariffs on or after the effective date of this decision. They shall become effective ten days or more after the effective date of this decision, provided that the Commission and the public are given not less than ten days' notice.
- d. Comply with General Orders Series 101 and 158, and the California Highway Patrol (CHP) safety rules.
- e. Comply with the controlled substance and alcohol testing certification program pursuant to Pub. Util. Code § 1032.1 and General Order Series 158.
- f. Remit to the Commission the Transportation Reimbursement Fee required by Pub. Util. Code § 423 when notified by mail to do so.
- g. Comply with Pub. Util. Code §§ 460.7 and 1043, relating to the Workers' Compensation laws of this state.
- h. Enroll all drivers in the pull notice system as required by Vehicle Code § 1808.1.

3. Nakagawa Ventures, Inc., is authorized under Pub. Util. Code § 454.2 to establish a zone of rate freedom (ZORF) of five dollars above and below the proposed fares of twenty dollars and under, ten dollars above and below the proposed fares greater than twenty dollars and less than forty dollars, and twenty dollars above and below the proposed fares of forty-five dollars and over,

as shown in Exhibit B of the application. The lowest minimum allowable fare will be five dollars.

4. Nakagawa Ventures, Inc., shall file a Zone of Rate Freedom (ZORF) tariff in accordance with the application on not less than ten days' notice to the Commission and to the public. The ZORF shall expire unless exercised within 120 days after the effective date of this decision.

5. Nakagawa Ventures, Inc., may make changes within the Zone of Rate Freedom by filing amended tariffs on not less than ten days' notice to the Commission and to the public. The tariff shall include the authorized maximum and minimum fares and the fare to be charged between each pair of service points.

6. Nakagawa Ventures, Inc., is authorized to begin operations on the date that the Safety and Enforcement Division mails a notice to Applicant that its evidence of insurance and other documents required by Ordering Paragraph 2 have been filed with the Commission and that the California Highway Patrol has approved the use of Applicant's vehicles for service.

7. The Certificate of Public Convenience and Necessity to operate as Passenger Stage Corporation - 31065, granted herein, expires unless exercised within 120 days after the effective date of this decision.

8. The Application is granted as set forth above.

9. This proceeding is closed.

This decision is effective today.

Dated _____, at San Francisco, California.

CERTIFICATE

OF

PUBLIC CONVENIENCE AND NECESSITY

AS A PASSENGER STAGE CORPORATION

PSC-31065

Showing passenger stage operative rights, restrictions,
limitations, exceptions, and privileges.

All changes and amendments as authorized by
the Public Utilities Commission of the State of California
will be made as revised pages or added original pages.

I N D E X

	Page
SECTION I. GENERAL AUTHORIZATIONS, RESTRICTIONS, LIMITATIONS, AND SPECIFICATIONS.....	2
SECTION II. SERVICE AREA	3
SECTION III. ROUTE DESCRIPTION	3

**SECTION I. GENERAL AUTHORIZATIONS, RESTRICTIONS,
LIMITATIONS, AND SPECIFICATIONS.**

Nakagawa Ventures, a corporation, by the certificate of public convenience and necessity granted by the decision noted in the foot of the margin, is authorized to transport passengers, their baggage, and express on a scheduled basis between the points described in Section II, over the route described in Section III, subject, however, to the authority of this Commission to change or modify this authority at any time and subject to the following provisions:

- A. When a route description is given in one direction, it applies to operation in either direction unless otherwise indicated.
- B. Service will be operated only at the points described in Section II and over the routes described in Section III. A description of all the stop points and the arrival and departure times from such points shall be indicated in the timetable filed with the Commission.
- C. Routes may be joined at common service points.
- D. This certificate does not authorize the holder to conduct any operation on the property of any airport unless such operation is authorized by the airport authority involved.

SECTION II. SERVICE AREA.

Scheduled, County-County, Service Area

Points in the Counties of Los Angeles, Santa Clara, San Mateo and San Francisco, included in those described in utility's fares and timetable filed with the Commission.

SECTION III. ROUTE DESCRIPTION.

Route 1 - Commencing from points in Los Angeles County, then over the most convenient streets and highways to points in Santa Clara, San Mateo, and San Francisco Counties.

Route 2 - Commencing from points in San Francisco, San Mateo, and Santa Clara Counties, then over the most convenient street and highways to points in Los Angeles County.